

NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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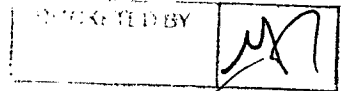
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COMMISSIONERS

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IN THE MATTER OF THE APPLICATION OF SBC
LONG DISTANCE, LLC FOR AN ORDER
RESCINDING THE BOND REQUIREMENT
CONTAINED IN ARIZONA CORPORATION
COMMISSION DECISION NO. 67809

Docket Nos.

T-03346A-14-0332

APPLICATION

SBC Long Distance, LLC ("SBC LD") requests rescission of the \$100,000 bond requirement imposed by the Arizona Corporation Commission ("the Commission") in Decision No. 67809 (May 5, 2005).

BACKGROUND

SBC LD is currently certified to provide facilities-based and resold interLATA/intraLATA interexchange telecommunications service in Arizona. Its original certification was under the name of Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance.¹ In November 2004, the corporate name was changed to SBC Long Distance, Inc. and, on May 5, 2005, the Commission issued orders that expanded authority to provide facilities-based interLATA, interexchange service statewide and approved a corporate reorganization and conversion to a limited liability company.² In addition, on April 6, 2004, the

¹ See In the Matter of the Application of Southwestern Bell Communications Services, Inc. dba Southwestern Bell Long Distance for a Certificate of Convenience and Necessity to Provide Competitive Interlata/Intralata Resold Telecommunications Services Except Local Exchange Services, ORDER, Decision 61227, Docket No. T-03346A-97-0152 (dated November 23, 1998).

² See In the Matter of the Application of SBC Long Distance, Inc. for a Certificate of Convenience and Necessity to Provide Facilities-Based Interexchange Telecommunications Services in Arizona, OPINION AND ORDER, Decision 67809, Docket No. T-03346-04-0413 (dated May 5, 2005) and In the Matter of the Joint Application of

1 Commission granted the Company a Certificate of Public Convenience and Necessity to provide
2 competitive resold and facilities-based local exchange services in Arizona;³ however, in 2011,
3 SBC LD ceased providing this service and the Commission cancelled this authority.⁴

4 As a condition of approval of its expanded certification in 2005, the Commission required
5 SBC LD to procure a performance bond of \$100,000, to be increased in increments of \$50,000
6 when the total amount of any customer advances, deposits, and prepayments is within \$10,000 of
7 the bond amount.⁵ SBC LD has complied with this order of the Commission and currently
8 maintains a performance bond in the amount of \$100,000.

9 DISCUSSION

10 SBC LD is subject to the Arizona Competitive Telecommunications Services Rules,
11 A.A.C. R14-2-1101 *et seq.*, and must comply with all rules applicable to the provision of
12 intrastate telecommunications services under the terms of its certification. Specifically, “[i]n
13 appropriate circumstances, the Commission may require, as a precondition to certification, the
14 procurement of a performance bond sufficient to cover any advances or deposits the
15 telecommunications company may collect from its customers, or order that such advances or
16 deposits be held in escrow or trust.” A.A.C. R14-2-1105(D).

17 SBC LD has complied with the requirements of its certification, including filing annual
18 reports, paying annual assessments, and maintaining the performance bond. It has complied with
19

20 SBC Telecom, Inc. and SBC Long Distance, Inc. for Approval of a Proposed Corporate Reorganization, ORDER,
Decision 67827, Docket Nos. T-03346-04-0911 and T-03811A-04-0911 (dated May 5, 2005).

21 ³ See In the Matter of the Application of Southwestern Bell Communications Services, Inc. dba SBC Long Distance
for a Certificate of Convenience and Necessity to Provide Competitive Resold and Facilities-Based Local Exchange
Telecommunications Services in Arizona, OPINION AND ORDER, Decision 66891, Docket No. T-03346A-03-
22 0844 (dated April 6, 2004).

23 ⁴ See In the Matter of the Application of SBC Long Distance, LLC to Discontinue the Provision of Local Exchange
Data Services for Business Customers in Arizona, ORDER, Decision 72629, Docket No. T-03346A-11-0283 (dated
October 14, 2011).

24 ⁵ Decision 67809, Third Order Paragraph at page 7.

1 all applicable Commission rules, regulations, and orders. There are currently no formal
2 complaints against the Company, and any prior formal or informal complaints have been
3 resolved.

4 The performance bond SBC LD has in place for Arizona has never been drawn upon or
5 requested. Obtaining and maintaining this bond creates an expense for it and will continue to do
6 so.⁶

7 The Commission recently, in similar circumstances, has relieved CLECs of the
8 performance bond requirement. *See e.g., In the Matter of the Application of Eschelon Telecom*
9 *of Arizona, Inc. for Approval of an Order Rescinding Its Bond Requirement*, Decision No. 74555
10 (June 20, 2014); *In the Matter of the Application of Dishnet Wireline L.L.C. for Approval for*
11 *Rescission of Bond Requirement Contained in Decision No. 72496*, Decision No. 74493
12 (May 23, 2014); *In the Matter of the Application of Tw Telecom of Arizona LLC for Approval of*
13 *Rescission of Bond Requirement Contained in ACC Decision 70057*, Decision No. 74497 (May
14 23, 2014); *In the Matter of the Application of XO Communications Services., LLC for Approval*
15 *of Rescission of Bond Requirement Contained in Arizona Corporation Commission Decision No.*
16 *70471*, Decision No. 74490 (May 23, 2014).

17 SBC LD believes that maintaining its performance bond is no longer necessary. It has
18 proven its financial, technical, and managerial ability to provide services in Arizona. It has
19 substantial investment in Arizona. It collects deposits only under its Commission-approved
20 tariffs. Rescinding the performance bond will not alter the rates, terms, or conditions of service
21 to the Company's customers, and will not adversely impact service.

22 _____
23 ⁶ The Applicant is one of three affiliates certificated in Arizona and subject to a bond requirement. Because the
24 bond requirements have a collective impact on the affiliated companies, the two other affiliates (AT&T Corp. and
Teleport Communications America, LLC) are filing concurrent rescission applications.

1 Removing the performance bond requirement also will put SBC LD on equal footing
2 with other CLECs currently operating in Arizona.

3 **CONCLUSION**

4 For the reasons stated above, the granting of a waiver of A.A.C. R14-2-1105(D) is
5 appropriate and in the public interest. Therefore, SBC Long Distance, LLC requests that the
6 Commission rescind the performance bond requirement ordered in Decision No. 67809 (May 5,
7 2005).

8 RESPECTFULLY SUBMITTED this 11th day of September, 2014.

9 GALLAGHER & KENNEDY, P.A.

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1 **Original and 13 copies** filed this
11th day of September, 2014, with:

2 Docket Control
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5 **Copies** of the foregoing delivered
this 11th day of September, 2014, to:

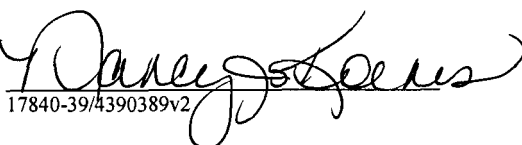
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